

4 OCT 1979

MEMORANDUM FOR THE RECORD

STAT FROM: [REDACTED]
Deputy Director of Personnel

SUBJECT: Meeting with Comptroller and the OMB Examiner on the
NAPA Report

STAT 1. This memorandum, prepared for the use of the DD/A, summarizes my recollections of my meeting in the Comptroller's Office on Monday, 24 September 1979, with the OMB Examiner, Mr. Keith Hall, and the RMS Associate, [REDACTED]. I had been invited to this session to discuss costs of implementing the NAPA Report recommendations. This memorandum covers items as I remember them, not necessarily in the order they were discussed at the meeting.

STAT 2. [REDACTED] started the meeting by noting that the NAPA Report contained a statement that the ratio of Agency employees working on personnel matters to the total strength, 1/16.1, was high as compared with other Federal agencies considered to be well staffed with a ratio of 1/60 or more and he asked for comments on this part of the NAPA Report.

3. My response was along the following lines:

a. I thought it best first to provide some chronology--that chronology is attached.

b. In specific response to [REDACTED] question, I made the following observations: Our NAPA Study Group, in its review of the NAPA Report and recommendations, has found inconsistencies, inaccuracies, contradictions and also inadequate data upon which recommendations and conclusions were based. Using the costs of the Agency's personnel system as an example: I noted that while on the one hand NAPA expressed a view that the Agency-wide costs of administering our personnel system seemed high, their primary conclusion was that the CIA's basic personnel system is sound and is one that most Federal agencies envy for its flexibility and potential and responsiveness to Agency needs. Moreover, several of their recommendations, i.e., a three-tier executive development program would, if approved, add significantly to the cost of administering the present system. There were other recommendations in the NAPA Report that could add to the cost of the system.

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c. I noted further that in specifying the ratio of Agency personnel working on the personnel management system as being high as compared with others, they did not tell us what agencies were compared. In addition to that, the Report notes that as many as 100 positions in the Office of Personnel can be attributed, specifically, to the security and cover needs of the Agency. Yet, we found no evidence that these 100 positions were deducted from the statistics that led to the formula. Included in the cost of the system, hence the ratio, was all of the Office of Training excepting [redacted]. Admittedly, the Office of Training deals with people, but it is hardly correct to attribute all of their costs to personnel management within the context of the NAPA Study. My conclusion, therefore, derived from the above, was stated to the group as one of uncertainty as to what the formula really represented and its validity.

d. There were other parts to my answer: The NAPA Report supported the Agency's competitive evaluation system, hence, the use of panels. They concluded that the rank-in-the-man concept best served the Agency's needs and that it should be applied universally. They called for more involvement of Agency line management in personnel management and decision-making, etc. Many of these have dollars attached to them; many other recommendations would add to the cost.

e. I told Messrs. Hall [redacted] therefore, that because of the above and similar considerations flowing from a reading of the NAPA Report, we had serious reservations about the NAPA comments on the costs of our system and the ratios specifically. I might add that my answer seemed to satisfy [redacted]

4. During the course of our conversation [redacted] mentioned that this past summer RMS had studied the NAPA Report carefully. Based on their review, some questions arose in the minds of RMS personnel whether other support elements might have the type of costs discussed by NAPA on personnel management. For example, were there similar areas in logistics, security or communications where costs might be deemed to be excessive, was the way [redacted] put it to me. My response to this was rather specific. I told [redacted] that I was quite surprised to learn that RMS would derive any conclusion merely from reading the NAPA Report and before the Agency had a chance to examine that Report and take a specific action on the various recommendations made. To this [redacted] quickly responded that he had reached the same position and that no action was taken by RMS.

5. We then moved to a discussion of what [] identified as his principal question on the NAPA Report and that had to do with whether there were any items in the 1981 budget to cover NAPA recommendations. [] and I both responded that there was none.

6. I reaffirmed that it was too early to tell whether there would be any costs in implementing approved NAPA recommendations, savings, or increases. Our preliminary view is that we can identify some areas where there may be some cost reduction. At the same time, however, if certain of the NAPA recommendations are approved, there may be some increase in costs. It may be necessary, therefore, to adjust allocation of resources within the Office of Personnel or elsewhere within the Agency from one area to another depending on the final decisions by the Director on the various recommendations. A more specific estimate can be made when the NAPA Study Group finalizes its review of the various topics.



Attachment:

Chronology of NAPA Recommendations

Addendum: The Examiner, Keith Hall, had no questions to raise at or during this meeting.